

## **REMARKS**

Claims 22, 23 and 28 have been cancelled. Claims 1, 16, 17, 21, 24-25, and 27 have been amended to clarify the subject matter regarded as the invention. Claims 1-21, 24-27, and 29-32 are pending.

### ***Claim Rejections – 35 U.S.C. §103(a)***

The Examiner has rejected Claims 1-21, 24-27, and 29-32 under 35 U.S.C. §103(a) as being unpatentable over Davenport (U.S. Pub No. 2003/0033236) in view of Li (U.S. Pub. No. 2003/0004850) and Notani (U.S. Patent No. 7,260,550) in view of Bergstrom (U.S. Pub No. 2002/0156667). The rejections are respectfully traversed.

On Page 3 of the Office Action, the Examiner appears to state that Davenport discloses the “comparing the optimal unit price to a compare value” at [0081]-[0082] and [0093]. Applicants respectfully disagree. Paragraphs [0081]-[0082] of Davenport state:

“[0081] Timestamps. One issue which arises in the context of multi-round auctions is the treatment of bids made in different rounds of the auction, for the same bundle of items at the same price or supply curve. Consider the following example: A combinatorial procurement auction is created to purchase some quantities of items {1,2,3}. In the first round of the auction, Supplier 1 makes a bid  $B_1$  for items {1,2,3} at a price of \$100, and Supplier 2 bids  $B_2$  of \$30 for item {1}.

[0082] In accordance with the invention, the solution to the winner determination problem for this round is that Supplier 1 wins with bid  $B_1$ . During the second round, a new supplier, Supplier 3, enters the auction with a bid  $B_3$  for items {2,3} at \$70. Using the integer programming formulation discussed earlier (Equation 1), there are two potential solutions to this combinatorial auction winner determination problem: Either  $\{B_1\}$  or  $\{B_2, B_3\}$ . In both cases the total cost to the procurer is \$100.”

Applicants are unable to locate in the recited paragraphs of Davenport, any mention of comparing an optimal unit price to a compare value. In contrast, Davenport appears to describe the conducting of an auction in which two potential awards may be made – either a full award to  $B_1$  for \$100 (for all three types of items), or an award to a combination of  $B_2$  (one item) and  $B_3$  (two items), also for \$100.

On Page 3 of the Office Action, the Examiner states that Davenport's bid "B1 of Supplier1 is a optimal solution having optimal quantities of items (1, 2, 3) which is obtained by comparing prices and quantities of Bid2 of Suppplier2 and Bid3 of Supplier3 and their time of the bids." Applicants are unable to locate in cited paragraphs [0081] or [0082] any mention of the comparisons described by the Examiner taking place. Further, applicants note that Claim 1 recites "comparing [a] the **optimal unit price** to [b] a compare value" which is contrasted with the several various comparisons listed by the Examiner.

Davenport at [0093] also does not disclose the recited "comparing the optimal unit price to a compare value." Instead, that portion appears to disclose the encoding of a timestamp of a bid into the bid, and using timestamp information to select between two otherwise equal bids (i.e. the \$100 bids described in [0081] and [0082] become \$100.001 and \$100.006).

As Davenport does not disclose "comparing the optimal unit price to a compare value," Applicants respectfully submit that the Examiner has not set forth a prima facie rejection of Claim 1 under 35 U.S.C. §103(a). Applicants respectfully request that Claim 1 be allowed accordingly. Independent Claims 16, 21, 27 also recite "compar[ing] the optimal unit price to a compare value" and are therefore also believed to be allowable for the reasons given above.

Independent Claim 17 recites "supplying at least one of a corresponding value necessary to reach the optimal bid and a no feasible solution result." The Examiner appears to state on Page 14 of the Office Action that this limitation may be found in the same paragraphs of Davenport discussed above ([0081]-[0082], and [0093]). Applicants are unable to locate in those paragraphs mention of either a "corresponding value necessary to reach [an] optimal bid" or "a no feasible solution result" being discussed in those portions of Davenport. Accordingly, Applicants respectfully submit that the Examiner has not set forth a prima facie rejection of Claim 17 under 35 U.S.C. §103(a) and request that Claim 17 be allowed.

Claims 2-15 depend, either directly or indirectly, from Claim 1 and are believed to be allowable for the same reasons described above. Claims 18-20 depend from Claim 17 and are therefore also believed to be allowable. Claims 24-26 depend from Claim 21 and are therefore also believed to be allowable. Claims 29-32 depend from Claim 27 and are therefore also believed to be allowable.

The foregoing amendments are not to be taken as an admission of unpatentability of any of the claims prior to the amendments.

Reconsideration of the application and allowance of all claims are respectfully requested based on the preceding remarks. If at any time the Examiner believes that an interview would be helpful, please contact the undersigned.

Respectfully submitted,

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/Robyn Wagner/  
Robyn Wagner  
Registration No. 50,575  
V 408-973-2596  
F 408-973-2595

VAN PELT, YI & JAMES LLP  
10050 N. Foothill Blvd., Suite 200  
Cupertino, CA 95014